



GARBAGE RATE ADJUSTMENT

FY2021-22

CITY COUNCIL MEETING

Qianyu Sun, Finance Director

March 23, 2021

Objective



- Receive an overview of Recology's rate application for FY2021-22 and describe the review process
- Adopt Resolution Initiating Property Owner Notice and Protest Process following Proposition 218 for FY2021-22 Garbage Rate Increase Proposed by Recology San Bruno

Agenda



1. Franchise agreement with Recology San Bruno
2. Rate adjustment for FY2021-22
3. Residential and commercial totter rate change summary
4. San Mateo County – city disposal rate comparison
5. Historical Rate Comparisons
6. Protest period and timeline to implement new rates
7. Alternative timeline with delayed rate increase
8. Public Notice
9. Council options
10. Staff recommendation
11. Questions



Franchise Agreement

- Franchise agreement between the City of San Bruno and Recology
- Effective July 1, 1998 and expires June 30, 2024
- Solid waste collection services
- Billing, record keeping, billing fees, etc.
- FY2021-22 rate adjustment based on an “Interim” rate year analysis, primarily based on CPI, reviewed and verified by staff
- Detailed rate review occurs every 3 years by an independent consultant
- 2021 Q4 Council study session on future integrated waste management services

Proposed Rate Adjustment FY2021-22



- Garbage service rate requested increase of **1.87%**
- New rate to take effect in FY 2021-22, if approved by City Council
- Rate change factors
 - CPI Calculation



Proposed Residential & Commercial Garbage Toter Rate Change Summary



Toter Type	Current Rate	Proposed Rate	Increase
Residential			
32-gallon toter	\$31.93	\$32.53	\$0.60
64-gallon toter	\$63.87	\$65.06	\$1.19
96-gallon toter	\$95.80	\$97.59	\$1.79
Commercial			
64-gallon toter, 1 per week	\$81.14	\$82.65	\$1.51
1-yard container, 1 per week	\$170.32	\$173.50	\$3.18

San Mateo County

City Disposal Rate Comparison



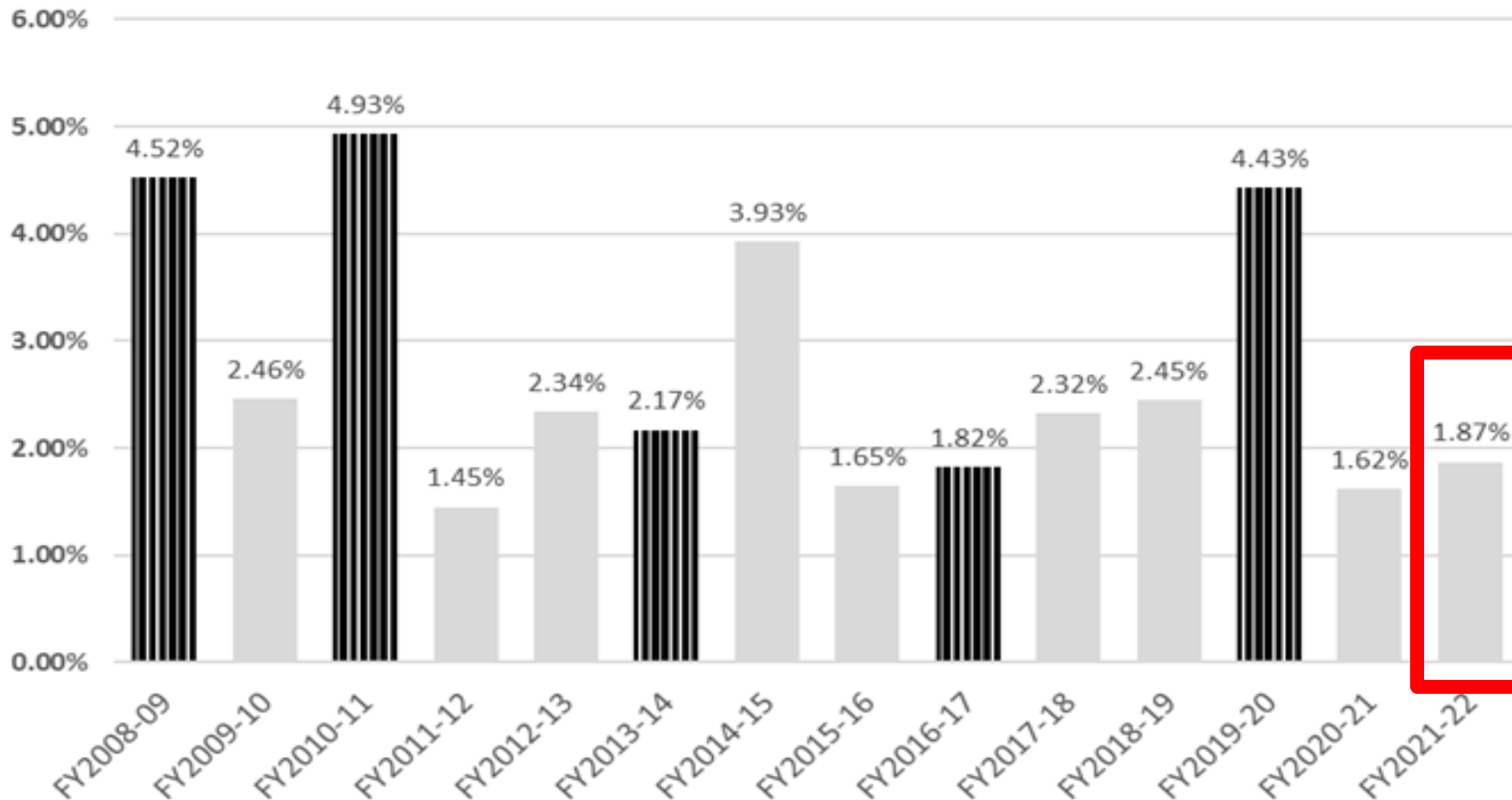
City	32g Rate	Serviced By
San Mateo	\$24.29	Recology
Montara / Moss Beach	\$24.43	Recology
Foster City	\$25.08	Recology
Colma	\$25.67	Allied
Burlingame	\$28.41	Recology
Daly City	\$31.31	Allied
San Bruno (Proposed)	\$32.53	Recology
El Granada	\$33.17	Recology
Redwood City	\$33.86	Recology
Brisbane	\$33.99	SSF Scavenger
South San Francisco	\$34.40	SSF Scavenger
Millbrae	\$35.85	SSF Scavenger
Menlo Park	\$36.64	Recology
San Carlos	\$38.65	Recology
Belmont	\$38.85	Recology
Pacifica	\$40.35	Recology
Half Moon Bay	\$40.37	Allied
Hillsborough	\$52.50	Recology



Historical Rate Comparisons



Recology San Bruno Annual Rate Increase



Protest Period & Timeline to Implement New Rates on July 1



Date	Item
March 23, 2021	City Council directs staff to provide 45-day notice to property owners.
April 9, 2021	Notices mailed on or before / start 45-day period.
May 25, 2021	City Council holds public hearing, considers any protests, take action to introduce new rate ordinances for first reading, and the 45-day protest period ends.
June 8, 2021	City Council conducts second reading and takes action to adopt new rates by ordinance.
July 1, 2021	New FY2021-22 rates become effective.



Alternative: Postpone Rate Increase

- ▲ Recology proposed to postpone the rate increase to September 1
- ▲ Initiate an Abandoned Waste Program in July
 - Survey known problem areas daily and collect waste when discovered
 - Monitor all other areas when drivers are on regularly scheduled routes
 - With the City's permission, obtain access to San Bruno Responds App and service the reported items within 24 hours
- ▲ Determine the effectiveness of the Abandoned Waste Program after 2-month pilot operation, and whether additional staff is necessary.

Alternative Timeline with Delayed Rate Increase



Date	Item
June 22, 2021	City Council directs staff to provide 45-day notice to property owners.
June 25, 2021	Notices mailed on or before / start 45-day period.
August 10, 2021	City Council holds public hearing, considers any protests, take action to introduce new rate ordinances for first reading, and the 45-day protest period ends.
August 24, 2021	City Council conducts second reading and takes action to adopt new rates by ordinance.
September 1, 2021	New FY2021-22 rates take effect.



Public Notice

- Public hearing schedule
- Protest period
- Approval process
- Rate adjustment
- Proposed increases for garbage, recycling and organics container types

NOTICE OF PROPOSED RATE INCREASES TO

Recology San Bruno's Garbage and Recycling Rates



The San Bruno City Council is considering Recology San Bruno's request for an increase to garbage and recycling service monthly charges. Property owners and Recology customers are being notified of this proposed rate increase. A public hearing will be held by the City Council on August 10, 2021 to hear protests on the proposed rate increase. Written protests related to the proposed new rates may be submitted no later than the conclusion of the public hearing.

Recology has requested the rate adjustment in accordance with its Franchise Agreement with the City to be effective September 1, 2021. The net calculation for FY2021-22 is a 1.867% increase. The rate for a 32-gallon residential totter will increase by \$0.60 from \$31.93 to \$32.53.

For more information about the proposal, please call (650) 616-7086 or visit and click on "Proposed Garbage Rate Increase" at https://www.sanbruno.ca.gov/gov/city_departments/finance/default.htm

Rate increase approval process

The City Council will hold a public hearing on Tuesday, August 10, 2021 at 7:00 p.m. via zoom (will provide Zoom information in public Notice). At the hearing, the City Council will consider public comments, as well as written protests against the proposed garbage rate increase. If you wish to file a written protest, please mail or hand deliver a letter or postcard to: Garbage Rate Protest, City of San Bruno, Office of the City Clerk, 567 El Camino Real, San Bruno, CA 94066. You may also submit a written protest at the public hearing. A written protest must include the name of the property owner or Recology customer submitting the protest, the signature of that person, and the street address or Assessor's Parcel Number (APN) of the service location for which the protest is submitted. If written protests are received with respect to a majority of the parcels served by Recology, then the City Council will not approve Recology's request. To be considered by the City Council, a protest letter or postcard must be received by the City no later than the conclusion of the public input portion of the public hearing scheduled for August 10, 2021.

Options for Council



- Enact garbage rate increase on July 1, 2021; or
- Accept Recology's proposal to postpone the rate increase to be effective on September 1; or
- Direct that the proposed rate increase be amended using other factors at the Council's determination; or
- Do not proceed with the process to adopt new rates

Staff Recommendation



- Enact the garbage rate increase as proposed by Recology and postpone the rate increase to be effective on September 1, 2021
- Adopt Resolution Initiating Property Owner Notice and Protest Process as Required by Proposition 218 for FY2021-22 Garbage Rate Increase Proposed by Recology San Bruno

Questions

